

GAO

Briefing Report to the Ranking Minority
Member, District of Columbia
Subcommittee, Committee on
Appropriations, House of
Representatives

September 1997

DISTRICT OF COLUMBIA GOVERNMENT

Overtime Costs Exceed Those of Neighboring Governments



General Government Division

B-277498

September 11, 1997

The Honorable James P. Moran
Ranking Minority Member
District of Columbia Subcommittee
Committee on Appropriations
House of Representatives

Dear Mr. Moran:

This briefing report responds to your request for information on the District of Columbia government's overtime expenditures.¹ It presents information on (1) the amount and extent of the District's overtime expenditures for fiscal years 1992 through 1997,² (2) reasons provided by District officials for those overtime expenditures, (3) how the District's overtime expenditures compared with those of selected surrounding jurisdictions for fiscal year 1996, and (4) how the District's overtime management policies compared with those of the selected surrounding jurisdictions.³ On September 3, 1997, we briefed your office on the results of our review. This report provides the substance of that briefing.

Results in Brief

In fiscal year 1996, which was the most recently completed fiscal year, the District government's overtime expenditures totaled approximately \$82.9 million, which represented about 6 percent of the District's total salary costs. Between fiscal years 1992 and 1996, the District of Columbia government's overtime expenditures ranged from a low of approximately \$67.2 million in fiscal year 1995 to a high of approximately \$98.8 million in fiscal year 1994. The District's overtime expenditures, when measured as a percentage of total salary costs, ranged from a low of 4.6 percent in fiscal year 1995 to a high of 6.3 percent in fiscal year 1994. Through April of fiscal year 1997, these expenditures were approximately \$53.4 million, which represented 7.3 percent of total salary costs. In fiscal year 1996, eight departments accounted for 97 percent of the District government's overtime expenditures. These departments were Corrections (DOC), Metropolitan Police (MPD), Human Services (DHS), Water and Sewer

¹For the purpose of this report, we used the definition of overtime pay in the Fair Labor Standards Act, 29 U.S.C. 201, et seq., as amended.

²The District follows an October 1 to September 30 fiscal year. Fiscal year 1997 data provided by the District are through April 1997.

³As agreed with your office, we compared the District's overtime expenditures for fiscal year 1996 and overtime management policies to those of the following neighboring governments: the city of Baltimore and Montgomery and Prince George's Counties, Maryland; and Fairfax County, Virginia.

Authority (WASA), Fire and Emergency Medical Services (FEMS), Public Schools (PS), D.C. General Hospital, and Public Works (DPW). Four of these eight departments in fiscal year 1996—DOC, MPD, DHS, and WASA—accounted for 74 percent of the District's total overtime expenditures. MPD and DHS were consistently among the four highest users of overtime from fiscal year 1992 through 1996. (See Briefing Section II for additional information on the amount and extent of the District's overtime expenditures.)

The reasons provided by District officials for the District's overtime expenditures generally varied by department. Some reasons for overtime expenditures commonly reported by District officials included staff management policies that seek to address staff shortages, workforce reductions, and the inability to fill position vacancies (in DOC, MPD, DHS, FEMS, DPW, D.C. General Hospital, and WASA); addressing external mandates, such as consent decrees and court orders that specify staffing or service levels (in DOC, DHS, FEMS, PS, and WASA); infrastructure deficiencies, such as the need to repair or maintain out-of-date facilities or equipment (DOC, DPW, WASA, and D.C. General Hospital); and mission requirements, such as the necessity to provide functions or services related to public safety (MPD and DPW). (Briefing Section III provides reasons that District officials cited for the District's overtime expenditures by departments.)

The District's governmentwide overtime expenditures as a percentage of total salary costs (6 percent) were higher than those of the selected surrounding jurisdictions in fiscal year 1996. Governmentwide overtime expenditures as a percentage of total salary costs for the city of Baltimore were 5 percent; for Montgomery County, 5.3 percent; for Prince George's County, 2.8 percent; and Fairfax County, 2 percent. (Differences that could affect overtime use between the operations of the District and four selected governments are discussed in Briefing Sections III and IV. Briefing Section IV provides a comparison of overtime expenditures as a percentage of salary costs by departments and governmentwide percentages.)

The District government and the governments of all of the selected surrounding jurisdictions had written overtime policies that reported compliance with the Fair Labor Standards Act (FLSA). However, the policies of the District and the selected surrounding jurisdictions varied in their requirements for advance approval of overtime, written justification for overtime work, provisions for jurisdiction-level and department-level overtime audits, and the reporting of overtime pay in the annual budget.

Only Fairfax County's overtime management policies addressed all of these policy elements. (Briefing Section V provides a comparative summary of the governments' overtime management policies.)

Background

Overtime is often used by public and private sector organizations as a management tool to provide services to constituents and customers, and its use has been increasing over the past several years.⁴ Some employers schedule overtime work on a regular basis, rather than hire additional workers when they perceive the cost of overtime premiums to be lower than the costs of hiring additional staff.

FLSA establishes minimum wage, overtime compensation, recordkeeping, and other provisions that affect full- and part-time employees in the private sector and in federal, state, and local governments. In general, employees covered by the act must receive compensation for hours worked in excess of 40 hours in a workweek, at a rate of not less than time and one-half their regular rate of compensation. The District government's obligation to comply with the overtime provision of FLSA began on April 15, 1986.⁵

On December 27, 1996, the District of Columbia Financial Responsibility and Management Assistance Authority (Authority) enacted an order to control District government operating expenses. The Authority's order stated that some District government employees had received overtime pay, although they had performed less than 40 hours of work in a week, thus contributing to the District's operating deficit. This order provided that District government employees are only to receive compensation for overtime work in excess of 40 hours per week (or other applicable tour of duty) of work actually performed, in accordance with the provisions of

⁴Economic Report of the President, Feb., 1997; Darrell E. Carr, "Overtime Work: An Expanded View," *Monthly Labor Review*, Bureau of Labor Statistics, Nov. 1986; and Barry Bluestone and Stephen Rose, "Overworked and Underemployed: Unraveling an Economic Enigma," in *The American Prospect*, No. 31 (March-April 1997).

⁵In 1974, Congress extended FLSA to state and municipal government employees, including the District of Columbia government. However, in 1976 the Supreme Court ruled that the 1974 amendment to FLSA was unconstitutional. Subsequently, in 1985 the Supreme Court overturned its earlier decision and upheld the legality of applying FLSA to state governments. However, being aware of potential hardship that might result from immediate application of FLSA to state and municipal governments, Congress enacted legislation, which delayed application of the act to the state and municipal governments until April 15, 1986.

FLSA.⁶ The order, in effect, prohibited the District from including annual and sick leave or other scheduled leave in computing overtime and from paying overtime to employees who worked more than eight hours in a day unless they exceeded 40 hours of work per week. The Authority estimated that this order should result in fiscal year 1997 cost savings of \$5.4 million. On March 12, 1997, the District government revised its personnel regulations to implement the Authority's order. The District of Columbia Fiscal Year 1998 Budget and Financial Plan estimated fiscal year 1998 cost savings resulting from the Authority's order at approximately \$8.8 million, assuming that overtime costs could be reduced by 13 to 14 percent as a result of this initiative.

A May 1997 Authority report stated that the District government had not effectively planned or controlled its workforce and thereby contributed to overtime costs that the Authority characterized as "staggering and not well-planned."⁷ The report stated that one result of the District's lack of systematic personnel planning was the extensive amount of overtime being worked by personnel. The report also noted that the District as a whole does not adequately budget for overtime and that much of this overtime was frequently authorized for the same employees each pay period.

Scope and Methodology

To determine the amount and extent of the District's overtime expenditures, we obtained data from District officials on full-time equivalent employment (FTE)⁸ levels, salary, and overtime expenditures.⁹ We reviewed and analyzed these data, which depicted the District as a whole and its individual departments. We focused on eight departments—DOC, FEMS, DPW, PS, MPD, DHS, WASA, and D.C. General Hospital—because they accounted for approximately 97 percent of the District government's fiscal year 1996 total overtime expenditures. We

⁶In May 1997, labor unions representing District government employees brought a suit against the Authority and the District's Chief Financial Officer, contending that the Authority's Dec. 27, 1996, order violates the applicable collective bargaining agreements, the District Code, and the U. S. Constitution. The suit was still pending as this report went to printing.

⁷Human Resource Management Reform: A Strategic Approach, The District of Columbia Financial Responsibility and Management Assistance Authority, May 1997.

⁸An FTE is a workforce measurement equal to a work year of 2,080 hours, rather than an on-board head count. This could mean, for example, one employee on a full-time schedule of 40 hours for 52 weeks or two part-time employees for 20 hours per week each for the same period.

⁹We did not adjust salary and overtime expenditures to constant dollars to account for inflation. Our primary comparative measure, overtime expenditures as a percentage of salary costs, is unaffected by inflation.

analyzed trend data for fiscal year 1992 through April of fiscal year 1997 for these departments.

To determine the reasons for the District's overtime expenditures, we interviewed officials representing the District government (Office of the Chief Financial Officer; Chief Financial Officers of the eight selected departments, Office of the City Administrator; Office of Personnel; Corporation Counsel; City Council; Inspector General, and Auditor's Office), the Authority, and labor union representatives of selected District departments. We asked them to identify factors that may account for the District's overtime usage. We also reviewed overtime expenditure data provided by several District departments which was categorized by the reasons for overtime usage.

To compare District government overtime expenditures with the selected jurisdictions that we agreed with your office to review, we obtained information from the budget and finance offices of city of Baltimore; Montgomery and Prince George's Counties, Maryland; and Fairfax County, Virginia governments on FTE levels, salary, and overtime expenditures. We compared the District and the four governments by the following categories: (1) overtime expenditures and (2) overtime expenditures as a percentage of salary costs. Our comparisons were done by jurisdictions' and major departments' totals, using fiscal year 1996 data provided by these governments. The District follows an October 1 to September 30 fiscal year, whereas the other governments follow a July 1 to June 30 fiscal year. We were not able to present data on all departments in which we focused our review in the District for the four other governments because some did not have comparable departments. For example, the District government operates its own corrections system whereas corrections is a state government function in Maryland; therefore, the city of Baltimore does not operate a corrections function.

To compare the overtime management policies of the District with those of selected surrounding jurisdictions, we interviewed government officials in all five jurisdictions and reviewed the five governments' written overtime policies. On the basis of our interviews and review of the governments' overtime policies, we developed a list of elements for comparison. The elements that we used in our comparisons were whether the governments (1) had written overtime policies, (2) reported compliance with FLSA, (3) required advance approval of overtime, (4) required written justification for overtime work, (5) provided for

jurisdiction- and department-level audits of overtime, and (6) provided for overtime pay in their annual budgets.

We also reviewed literature and interviewed officials from city and county management and related associations. We did our work between May and August 1997 in accordance with generally accepted government auditing standards. Due to the short time frame of this review, we did not verify the data provided by the District and the other governments.

Comments From the District of Columbia and Other Governments

We requested comments on a draft of this report from the Mayor of the District of Columbia, the District's City Administrator, the District's Chief Financial Officer, and the District of Columbia Financial Responsibility and Management Assistance Authority. We also requested comments from the budget and finance directors of the governments of the city of Baltimore; Prince George's County; and Montgomery County, MD; and Fairfax County, VA. We received comments from all of the officials or their designees in mid-August confirming that the material in the report accurately depicted their governments. We incorporated their clarifying information where appropriate.

We are sending copies of this briefing report to the Chairman of this Subcommittee and to the Chairpersons and Ranking Minority Members of other congressional committees that have responsibilities related to District of Columbia issues. We are also sending copies to the Mayor of the District of Columbia, the District's City Administrator, the District's Chief Financial Officer, the District of Columbia Financial Responsibility and Management Assistance Authority, and officials from the other four governments we reviewed. We will make copies available to others on request.

The major contributors to this report are listed in appendix II. If you need any additional information or have further questions, please contact me, or J. Christopher Mihm, Acting Associate Director, on (202) 512-8676.

Sincerely yours,

A handwritten signature in black ink that reads "L. Nye Stevens". The signature is written in a cursive style with a large, stylized initial "L" and a long, sweeping underline.

L. Nye Stevens
Director,
Federal Management and Workforce Issues

Contents

Letter		1
Briefing Section I		10
Introduction	Review Objectives	10
	Scope and Methodology	11
Briefing Section II		12
Amount and Extent of the District Government Overtime Expenditures	District Overtime Expenditures, FY 1992-1997	12
	District Overtime Expenditures by Major Departments, FY 1996	14
	Primary District Government Overtime Users, FY 1996	16
	Trends for Primary District Government Overtime Users, FY 1992-1997	18
Briefing Section III		20
Reasons Reported for District Government Overtime Expenditures	Summary of Reasons Reported for Overtime Use by District Departments	20
	Reported Reasons for Overtime Use: 1. Staff Management Policies	22
	Reported Reasons for Overtime Use: 2. External Mandates	24
	Reported Reasons for Overtime Use: 3. Infrastructure Deficiencies	26
	Reported Reasons for Overtime Use: 4. Mission Requirements	28
Briefing Section IV		30
District Government Overtime Expenditures Compared With Surrounding Jurisdictions	Comparative Governments's Overtime as a Percentage of Salary, FY 1996	30

Briefing Section V District Government Overtime Management Policies Compared With Those of Surrounding Jurisdictions	Summary of Governments' Overtime Management Policies	32 32
Appendix I Salary Costs of Selected Government Departments, FY 1996		34
Appendix II Major Contributors to This Briefing Report		35

Abbreviations

DHS	Department of Human Services
DOC	Department of Corrections
DPW	Department of Public Works
FEMS	Fire and Emergency Medical Services
FLSA	Fair Labor Standards Act
FTE	Full Time Equivalent
FY	Fiscal Year
MPD	Metropolitan Police Department
PS	Public Schools
WASA	Water and Sewer Authority
WSSC	Washington Suburban Sanitary Commission

Introduction

GAO Review Objectives

To provide overtime information on the following:

- extent and amount of the District's expenditures for FY 92-97;
 - reasons provided by District officials for those expenditures;
 - how the District's expenditures compared with the selected jurisdictions for FY 1996:
 - City of Baltimore, MD
 - Fairfax County, VA
 - Montgomery County, MD
 - Prince George's County, MD
 - how the District's overtime management policies compared with those of the selected jurisdictions.
-

FY 1997 data are through April 1997.

GAO Scope and Methodology

Reviewed the selected governments: District of Columbia; City of Baltimore, Montgomery and Prince George's Counties, MD; and Fairfax County, VA.

- Collected data on governments' salary, FTE, overtime pay, and overtime management policies.
 - Interviewed District government officials and reviewed records to determine reasons for the overtime expenses.
 - Compared the five governments' overtime expenditures as a percentage of salary.
 - Compared the five governments' overtime management policies.
-

Amount and Extent of the District Government Overtime Expenditures

GAO District Overtime Expenditures, FY 1992-1997

	Fiscal years					
	1992	1993	1994	1995	1996	1997 ^a
Number of FTE's	34,015	35,404	38,683	38,583	36,385	32,573
Expenditures (Dollars in thousands)						
Salary ^b	\$1,522,876	\$1,513,854	\$1,566,747	\$1,448,569	\$1,381,633	\$734,304
Overtime	77,513	75,187	98,786	67,238	82,931	53,417
Overtime as a percentage of salary	5.1%	5.0%	6.3%	4.6%	6.0%	7.3%

Note: The District government follows an October 1 - September 30 fiscal year.

^aFiscal Year (FY) 1997 data are through April 1997.

^bSalary excludes overtime, benefits, Social Security, and other compensation.

Source: District of Columbia Chief Financial Officer.

**Briefing Section II
Amount and Extent of the District
Government Overtime Expenditures**

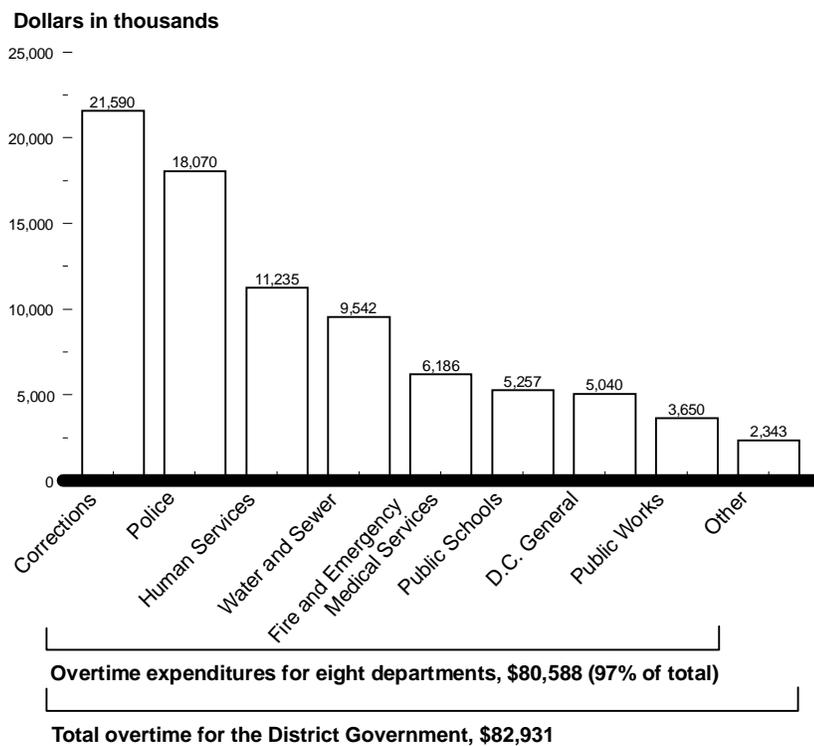
**District Overtime
Expenditures, FY
1992-1997**

The data in this table represent the District's total salary and overtime and include all general and enterprise funds' full-time equivalent employment (FTE), salary, and overtime for FY 1992 through FY 1997 (FY 1997 data are through April 1997).

Between FYs 1992 and 1996, the years for which we provide complete FY data, the District government's total salary expenditures ranged from a low of \$1,381,633,000 in FY 1996 to a high of \$1,566,747,000 in FY 1994. Over this same period, the District's overtime expenditures ranged from a low of \$67.2 million in FY 1995 to a high of \$98.8 million in FY 1994. The District's overtime as a percentage of salary costs over this period ranged from a low of 4.6 percent in FY 1995 up to a high of 6.3 percent in FY 1994.

The District's overtime as a percentage of salary costs averaged 5.7 percent from FY 1992 through April 1997.

GAO District Overtime Expenditures by Major Departments, FY 1996



Source: District of Columbia Chief Financial Officer.

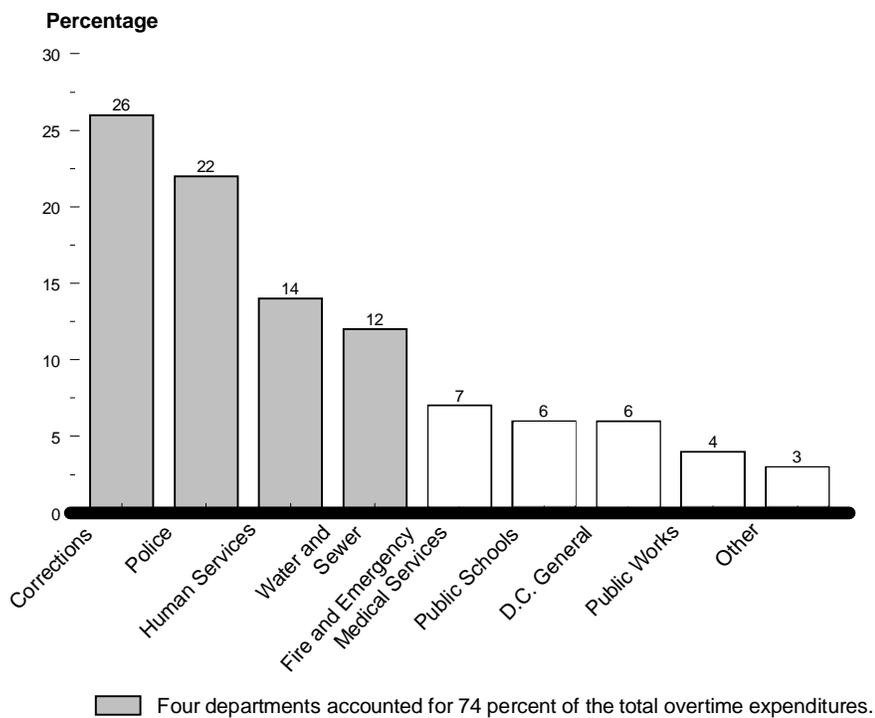
**Briefing Section II
Amount and Extent of the District
Government Overtime Expenditures**

**District Overtime
Expenditures by Major
Departments, FY 1996**

The District government's overtime expenditures totaled \$82,931,000 in FY 1996.

For FY 1996, eight departments accounted for 97 percent of the District government's overtime expenditures—Corrections (DOC), Metropolitan Police (MPD), Human Services (DHS), Water and Sewer Authority (WASA), Fire and Emergency Medical Services (FEMS), Public Schools (PS), D.C. General Hospital, and Public Works (DPW).

GAO Primary District Government Overtime Users, FY 1996



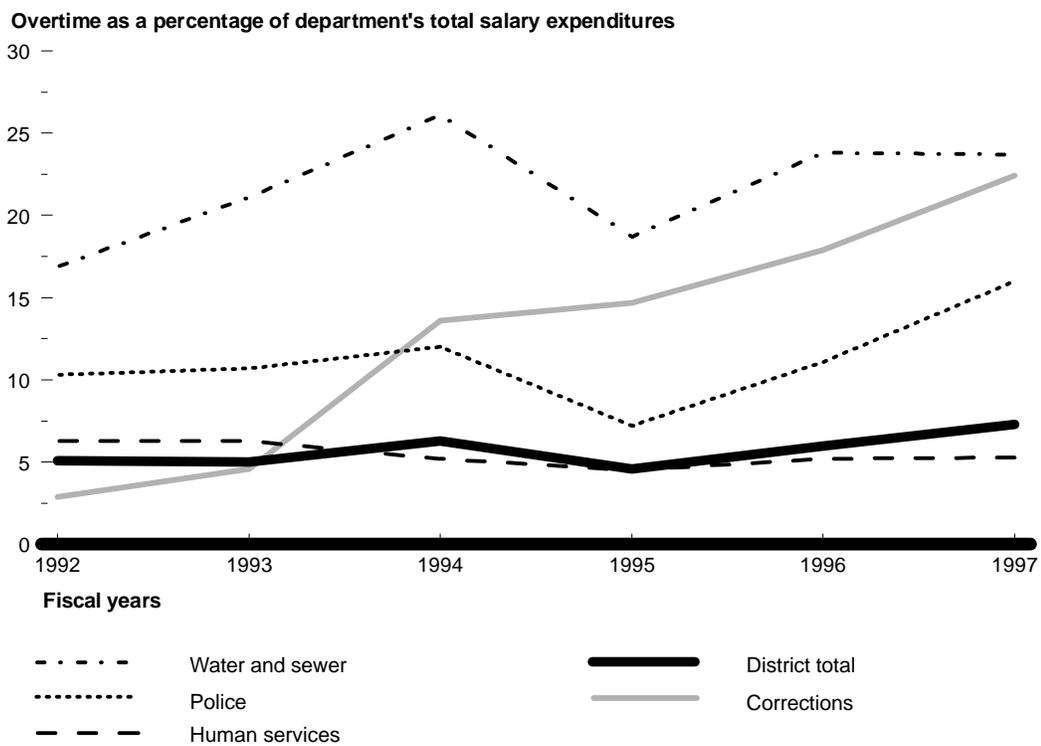
Source: GAO analysis of data provided by District of Columbia Chief Financial Officer.

**Briefing Section II
Amount and Extent of the District
Government Overtime Expenditures**

**Primary District
Government Overtime
Users, FY 1996**

For FY 1996, DOC, MPD, DHS, and WASA accounted for 74 percent (\$60,437,000) of the District government's overtime expenditures. DOC accounted for over one-fourth of the District's total overtime expenditures in FY 1996.

GAO Trends for Primary District Government Overtime Users', FY 1992-1997



Note: FY 1997 data are through April 1997.

Source: GAO analysis of data provided by District of Columbia Chief Financial Officer.

Between FYs 1992 and 1996, the District's overtime expenditures as a percentage of salary costs ranged from a low of 4.6 percent in FY 1995 to a high of 6.3 percent in FY 1994. Through April of FY 1997, the District's overtime as a percentage of salary costs was 7.3 percent. The overtime expenditures as a percentage of salary costs of the four primary District overtime users in FY 1996—DOC, MPD, DHS, and WASA—varied during this

**Briefing Section II
Amount and Extent of the District
Government Overtime Expenditures**

period. For example, the overtime of DOC, MPD, and WASA as a percentage of salary costs increased while the overtime of DHS decreased.

DOC had the largest increase in overtime expenditures as a percentage of salary costs of the eight departments. DOC's overtime expenses as a percentage of salary costs increased from 2.9 percent in FY 1992 to 17.8 percent in FY 1996. Through April of FY 1997, DOC's overtime expenditures as a percentage of salary costs were 22.4 percent.

MPD's overtime expenditures as a percentage of salary costs ranged from a low of 7.3 percent in FY 1995 to a high of 12 percent in FY 1994. Through April of FY 1997, MPD's overtime expenditures as a percentage of salary costs were 16 percent.

DHS' overtime expenditures as a percentage of salary costs were relatively stable between FYs 1992 and 1996. DHS' overtime payments ranged from a low of 4.5 percent in 1995 to 6.4 percent in FY 1992. Through April of FY 1997, DHS' overtime expenditures as a percentage of salary costs were 5.4 percent.

WASA's overtime expenditures as a percentage of salary costs ranged from a low of 16.8 percent in FY 1992 to a high of 26.1 percent in FY 1994. Through April of FY 1997, WASA's overtime expenditures as a percentage of salary costs were 23.7 percent.

The FY 1996 primary users of overtime as a percentage of salary costs—DOC, MPD, DHS, and WASA, were not consistently the largest District overtime users. For example, of the eight departments which accounted for 97 percent of the District's FY 1996 overtime expenditures, DOC was the eighth highest user of overtime in FY 1992 and rose to the highest user in FYs 1995 and 1996. MPD and DHS were consistently among the four highest users of overtime from FY 1992 through FY 1996. Between FYs 1992 and 1996, FEMS and WASA were occasionally among the top four overtime users as a percentage of salary costs.

Reasons Reported for District Government Overtime Expenditures

GAO Summary of Reasons Reported for Overtime Use by District Departments

Departments	Reasons			
	1. Staff management policies	2. External mandates	3. Infrastructure deficiencies	4. Mission requirements
Corrections	■	■	■	
Police	■			■
Human Services	■	■		
Water and Sewer Authority	■	■	■	
Fire and Emergency Medical Services	■	■		
Public Schools		■		
D.C. General Hospital	■		■	
Public Works	■		■	■
Total	7	5	4	2

■ Reason reported by department

Note: The District's Water and Sewer Authority became an independent authority in October 1996.

Source: District of Columbia Government departments' Chief Financial Officers.

**Summary of Reasons
Reported for Overtime Use
by District Departments**

In general, the reasons reported by Chief Financial Officers of the eight District government departments for incurring overtime expenses fell into one of four categories:

Staff management policies refer to the manner whereby departments have managed their staff to seek to address staff shortages, workforce reductions, and the inability to fill position vacancies.

External mandates include court orders and negotiated consent decrees and city and federal laws that mandate minimum service levels or timely actions to remedy inadequately managed programs. According to the District of Columbia Fiscal Year 1998 Budget and Financial Plan, the District is currently subject to 39 court orders and mandates.

Infrastructure deficiencies involve the need to repair or maintain out-of-date facilities or equipment such as water and sewer lines and medical facilities.

Mission requirements involve the necessity to provide functions or services related to public safety, such as police patrols and snow removal.

GAO Reported Reasons for Overtime Use:
1. Staff Management Policies

Seven District departments reported staff management policies as a reason for incurring overtime expenditures:

- Corrections
 - Police
 - Human Services
 - Water and Sewer Authority
 - Fire and Emergency Medical Services
 - D.C. General Hospital
 - Public Works
-

Source: District of Columbia Government departments' Chief Financial Officers.

**Reported Reasons for
Overtime Use: 1. Staff
Management Policies**

Chief Financial Officers of DOC, MPD, DHS, FEMS, DPW, WASA and D.C. General Hospital reported that their staff management policies contributed to overtime expenses.

DHS stated that one of the biggest drivers of overtime expenditures was the shortage of personnel for mental health, hospital, and lab positions, which was caused by DHS' inability to fill these positions. DHS stated that high staff turnover in key DHS functions, driven by job stress and low pay compared with that of other local governments, has driven overtime expenses. For example, DHS pointed to its Mental Health function, which it stated has had approximately 200 vacancies over the prior 2 fiscal years. DHS noted that most of its overtime was directly attributable to the need to provide in-patient care, which is a 24-hour-a-day, 7-days-a-week operation.

D.C. General Hospital officials said that vacancies in occupations such as nurses, physicians, and engineers, caused primarily by noncompetitive salaries, required the hospital to use its existing staff to work longer hours on overtime.

FEMS reported that its current number of authorized positions is insufficient, and to meet fire and emergency vehicle staffing requirements, it uses its staff on overtime. FEMS also stated that when firefighters are injured on duty, they are placed on Performance-of-Duty (POD) leave, and the department stated that it manages this staff shortage by using firefighters on overtime pay to backfill these positions. FEMS stated that there are currently 36 firefighters that have been on POD an average of 2 years.

GAO Reported Reasons for Overtime Use:
2. External Mandates

Five District departments reported the need to address external mandates as a reason for incurring overtime expenditures:

- Corrections
- Human Services
- Water and Sewer Authority
- Fire and Emergency Medical Services
- Public Schools

Source: District of Columbia Government departments' Chief Financial Officers.

Chief Financial Officers of DOC, DHS, WASA, FEMS, and PS reported that they used staff on overtime to address a variety of external mandates.

According to the District of Columbia Fiscal Year 1998 Budget and Financial Plan, DOC operates under 13 court orders and consent decrees. For example, DOC stated that for the past three years it has had approximately 300 court-ordered correctional officer positions which it

**Briefing Section III
Reasons Reported for District Government
Overtime Expenditures**

has been unable to fill because of District-imposed hiring restrictions. DOC stated that it has been required to provide coverage for these vacant positions strictly on an overtime basis. DOC also said that its staff deployment plan to satisfy a court order for the 24 hour-a-day operation of prison watchtowers and other security posts at corrections institutions has contributed to overtime. FEMS stated that its requirement to comply with city laws, which specify minimum staff levels for the operation of engines, ladder trucks, and ambulances, and prohibit the use of volunteer firefighters, was a reason for overtime use. For example, when fire officers call in sick or are not able to work for other reasons, the replacement staff is paid overtime.

DHS operates several of its programs under 16 consent decrees or court orders, according to the District of Columbia Fiscal Year 1998 Budget and Financial Plan. For example, one DHS function affected by a court order, which—due to a shortage of staff—DHS has decided to use staff on overtime to address, is a requirement to process Medicaid payments in specified time frames. WASA stated that consent decrees resolving lawsuits, which mandated that certain tasks be performed to maintain or establish water quality levels, have significantly contributed to WASA's overtime spending. PS stated it has used staff on overtime to address a District legal requirement that boiler rooms be staffed 24 hours a day when boiler equipment is operating.

GAO Reported Reasons for Overtime Use:
3. Infrastructure Deficiencies

Four District departments reported the need to address infrastructure deficiencies as a reason for incurring overtime expenditures:

- Corrections
- Water and Sewer Authority
- D.C. General Hospital
- Public Works

Source: District of Columbia Government departments' Chief Financial Officers.

**Reported Reasons for
Overtime Use: 3.
Infrastructure Deficiencies**

Chief Financial Officers of DOC, WASA, DPW, and D.C. General Hospital reported that the need to address infrastructure deficiencies contributed to overtime expenses.

For example, DOC officials noted that the National Council on Crime and Delinquency assessed DOC's operations and concluded that, if it had state-of-the-art corrections facilities its overtime expenses would be 5 percent of base salaries. DOC noted that this would compare with the U.S. Bureau of Prisons, which, according to the National Council on Crime and Delinquency, has an overtime rate of 6 percent of base salaries.

D.C. General Hospital officials explained that overtime expenses were unusually high in 1996, primarily due to unbudgeted emergency facility repairs. Officials stated that a basement flood, power-plant storage tank leak, and collapsed roofs caused a loss of electrical power that required emergency procedures to be performed on overtime to maintain patient care, provide security, and make facility repairs. Hospital officials estimated that the flood alone cost approximately \$3 million, much of it for overtime expenses.

WASA noted that emergencies, such as water main breaks, sewer back-ups, and equipment breakdown have caused a significant amount of unscheduled overtime. WASA noted that its inability to obtain funding for preventative maintenance since FY 1992 has contributed to the need to perform emergency maintenance on an overtime basis.

GAO Reported Reasons for Overtime Use:
4. Mission Requirements

Two District departments reported mission requirements as a reason for incurring overtime expenditures:

- Police
- Public Works

Source: District of Columbia Government departments' Chief Financial Officers.

**Reported Reasons for
Overtime Use: 4. Mission
Requirements**

Chief Financial Officers of MPD and DPW reported that their mission requirements contributed to overtime expenses.

MPD reported that court appearances by police officers and crime fighting initiatives have been the largest drivers of MPD's overtime expenses. Court appearance overtime expenses accounted for an average of 47 percent of MPD's total overtime expenditures from FY 1992 through April of FY 1997. Court overtime, as a percentage of total MPD overtime, has decreased from a high of 67 percent (approximately \$7.3 million) in FY 1995 to 25 percent through April of FY 1997 (approximately \$3.7 million). In order to implement crime fighting initiatives, MPD chose to place additional officers on the streets using overtime pay. MPD reported that crime fighting initiatives accounted for an average of 17 percent of MPD's total overtime expenditures from FY 1992 through April of FY 1997.

DPW reported that during FY 1996, the primary overtime driver was the blizzard of 1996. The snow emergency accounted for major unplanned overtime throughout DPW but particularly in its facilities maintenance function, which is responsible for District government-owned buildings, and in design engineering, which maintains streets and bridges.

District Government Overtime Expenditures Compared With Surrounding Jurisdictions

GAO Comparative Governments' Overtime as a Percentage of Salary, FY 1996

Departments	Jurisdictions				
	District of Columbia	City of Baltimore	Montgomery County	Prince George's County	Fairfax County
Corrections	17.8%	N/A	7.1%	0.2%	8.3%
Police	11.2	5.4	6.8	5.4	16.1
Human Services	5.2	N/A	0.3	0.2	1.3
Water and Sewer	23.8 ^b	13.3 ^a	N/A	N/A	N/A
Fire	10.0	6.6	5.4	1.5	8.0
Public Schools	1.3	1.7	0.3	0.1	0.3
Public Works	6.9	12.1 ^a	12.2	6.8	1.7
Governmentwide percentage:	6.0%	5.0%	5.3%	2.8%	2.0%

N/A We did not report data on entity; see discussion on following page.

^aThe District's WASA treats sludge for Prince George's, Montgomery, and Loudoun Counties, the city of Vienna, and parts of Fairfax County for user fees.

^bBaltimore's water and sewer function is provided by the city's DPW, its public works overtime data is exclusive of the water and sewer function.

Source: District of Columbia Chief Financial Officer and budget offices of selected governments.

**Comparative Governments'
Overtime as a Percentage
of Salary Costs, FY 1996**

According to data provided by the District's Chief Financial Officer and budget officials from the selected surrounding governments, the District's overtime expenditures as a percentage of salary costs (6 percent) was higher than those of the selected surrounding jurisdictions in FY 1996.¹⁰ Overtime expenditures as a percentage of salary costs for the city of Baltimore were 5 percent; for Montgomery County, 5.3 percent; for Prince George's County, 2.8 percent; and for Fairfax County, 2 percent. (See appendix I for the salary costs of the departments shown in the chart.)

The District's DOC (17.8 percent), DHS (5.2 percent), and FEMS (10 percent) overtime expenditures as a percentage of salary costs exceeded those of each of the selected governments.

We did not perform an analysis of each department's organization and staffing to determine factors that may account for the higher overtime use of some departments. For example, the District's DOC operates several prison facilities for long-term internment of convicted inmates while the other jurisdictions tend to operate jails to detain individuals prior to criminal sentencing.

We were unable to present overtime information on all 5 governments' corrections, human services, water and sewer, and hospital functions. For example, the city of Baltimore does not have a DOC and does not directly administer the city's human services function, which is directed by Maryland's Department of Human Resources. The Washington Suburban Sanitary Commission (WSSC) provides water and sewer services for Montgomery and Prince George's Counties. WSSC's FY 1996 overtime as a percentage of salary costs of 2.39 percent is not reflected in the governmentwide percentages for Montgomery and Prince George's Counties. Fairfax County's sewer functions are provided by DPW; its water functions are provided by the Fairfax County Water Authority. Also, we did not compare D.C. General Hospital to hospitals in the selected jurisdictions because of its unique organization and staffing. D.C. General's FY 1996 overtime as a percentage of salary was 9.5 percent.

¹⁰The District follows an Oct. 1 to Sept. 30 FY, the other governments follow a July 1 to June 30 FY.

District Government Overtime Management Policies Compared With Those of Surrounding Jurisdictions

GAO Comparative Governments' Overtime as a Percentage of Salary, FY 1996

Departments	Jurisdictions				
	District of Columbia	City of Baltimore	Montgomery County	Prince George's County	Fairfax County
Corrections	17.8%	N/A	7.1%	0.2%	8.3%
Police	11.2	5.4	6.8	5.4	16.1
Human Services	5.2	N/A	0.3	0.2	1.3
Water and Sewer	23.8 ^b	13.3 ^a	N/A	N/A	N/A
Fire	10.0	6.6	5.4	1.5	8.0
Public Schools	1.3	1.7	0.3	0.1	0.3
Public Works	6.9	12.1 ^a	12.2	6.8	1.7
Governmentwide percentage:	6.0%	5.0%	5.3%	2.8%	2.0%

Note: Empty cells designate that the jurisdictions' governmentwide policies did not address the item. However, in cases, selected departmental management policies did address them.

Source: GAO review of governments' overtime policies and information provided by the governments' chief financial officers, budget, and personnel officials.

Our review of the District's overtime management policies indicate they are comparable with those of the selected governments in (1) having a written overtime policy and (2) reporting compliance with FLSA.

**Briefing Section V
District Government Overtime Management
Policies Compared With Those of
Surrounding Jurisdictions**

Only Prince George's and Fairfax County's policies provided for written justification for overtime work. Their policies specified that authorized officials document work to be performed on overtime. The other governments' policies did not require written justification. However, several departments in those governments did require such justification.

Three governments' policies addressed jurisdiction-level overtime audits. The Office of Management and Budget of the city of Baltimore, Montgomery County, and Fairfax County are to review governmentwide overtime expenses on a quarterly basis. Also, Fairfax County's Internal Audit Office reported in 1996 on county-wide overtime practices.

Only Fairfax County's policies provided for department-level audits of overtime pay. However, in the other governments, some departments followed practices to control overtime. For example, the District's MPD reported that the implementation of a time and attendance system in 1997, which captures all police officers' time in court, has helped to reduce court overtime. MPD noted a lesson learned in managing overtime was that overtime expenditures will escalate without proper management and controls. The District's DPW reported it reviews individual employee's overtime charges when they exceed 20 percent of the employee's gross annual pay.

The city of Baltimore, Montgomery County, and Fairfax County's governmentwide overtime policies provided for including overtime pay estimates in the annual budget. For example, Baltimore budgets overtime on the basis of historical expenditure trends, workload requirements, and staff authorizations. The other jurisdictions' governmentwide policies did not address overtime budgeting. However, in our review, we found some departments used similar practices to develop overtime budgets. For example, the District's FEMS stated its overtime budgets are based on estimated staff needs and prior year salary and overtime expenditures.

Salary Costs of Selected Government Departments, FY 1996

Dollars in thousands

Departments	Governments				
	District of Columbia	City of Baltimore	Montgomery County	Prince George's County	Fairfax County
Corrections	\$121,007	^a	\$12,773	\$17,247	\$21,028
Police	161,816	\$125,556	59,716	63,186	66,349
Human Services	214,758	^a	44,880	10,431	63,736
Water and Sewer	40,127 ^b	44,449 ^a	^c	^c	^d
Fire and Emergency Medical Services	62,198	65,022	42,872	30,245	59,495
Public Schools	400,335	365,523	626,628	496,741	620,297
Public Works	52,711	77,975 ^a	16,903	11,497	16,921

Note 1: The District follows an Oct. 1 to Sept. 30 FY, the other governments follow a July 1 to June 30 FY.

Note 2: We did not compare D.C. General Hospital to hospitals in the selected jurisdictions because of its unique organization and staffing. D.C. General Hospital's FY 1996 salary expenditures were \$53.2 million.

^aThe city of Baltimore does not have a DOC and does not directly administer the city's human services function, which is directed by Maryland's Department of Human Resources. Baltimore's water and sewer function is provided by the city's DPW, its public works salary data is exclusive of the water and sewer function.

^bThe District's WASA treats sludge for Prince George's, Montgomery, and Loudoun Counties, the city of Vienna, and parts of Fairfax County for user fees.

^cWashington Suburban Sanitary Commission (WSSC) provides water and sewer services for Montgomery and Prince George's Counties.

^dFairfax County's sewer functions are provided by DPW; its water functions are provided by the Fairfax County Water Authority.

Source: District of Columbia Chief Financial Officer and budget offices of selected governments.

Major Contributors to This Briefing Report

**General Government
Division, Washington,
D.C.**

John Needham, Assistant Director, (202) 512-5274
Anthony J. Wysocki, Evaluator-in-Charge, (202) 512-6016
Don Allison, Senior Evaluator
Patrick Mullen, Senior Evaluator
Marlene Zacharias, Issue Area Assistant
Katherine M. Wheeler, Publishing Advisor
Lessie M. Burke, Writer-Editor
Andrew Rosenberger, Intern

Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. VISA and MasterCard credit cards are accepted, also. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

U.S. General Accounting Office
P.O. Box 37050
Washington, DC 20013

or visit:

Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC

Orders may also be placed by calling (202) 512-6000 or by using fax number (202) 512-6061, or TDD (202) 512-2537.

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (202) 512-6000 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

For information on how to access GAO reports on the INTERNET, send an e-mail message with "info" in the body to:

info@www.gao.gov

or visit GAO's World Wide Web Home Page at:

<http://www.gao.gov>

**United States
General Accounting Office
Washington, D.C. 20548-0001**

**Bulk Rate
Postage & Fees Paid
GAO
Permit No. G100**

**Official Business
Penalty for Private Use \$300**

Address Correction Requested

